A0400-1

# The Aluminum Situation

Department of Economics and Statistics

November 1985

## Shipments Off 1.0 Percent

Net shipments for nine months of 1985, at an estimated 11,482 million pounds, were 1.0 percent lower than the 11,602 million pounds for nine months of 1984.

Domestic shipments of 10,503 million pounds were 2.8 percent lower than the 10,801 million pounds shipped in nine months of 1984.

Imports were down 5.6 percent and exports improved 22.2 percent.

### Thru September 1985

| | 9 mos. 1985 | 8 mos. 1984 | % Change |
|---|---|---|---|
| Mill Products | 9,082 | 9,128 | - 0.5 |
| Ingot | 2,400 | 2,474 | - 3.0 |
| Total | 11,482 | 11,602 | - 1.0 |
| Less Exports | (979) | (801) | +22.2 |
| Domestic Total | 10,503 | 10,801 | - 2.8 |

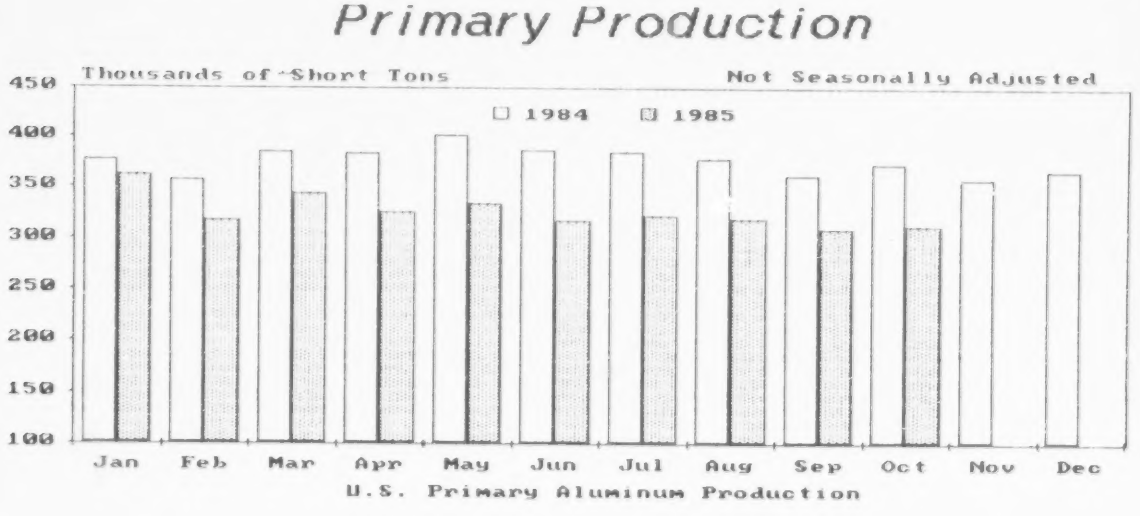
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

## Production Rate Down 16.3 Percent

U.S. primary aluminum production averaged 10,073 short tons daily during October 1985 compared with an average 12,033 tons day in October 1984.

The annual rate of production in October 1985 was 3,676,745 tons, compared to 3,759,646 tons in September 1985. October 1984 production rate was 4,403,907 tons.

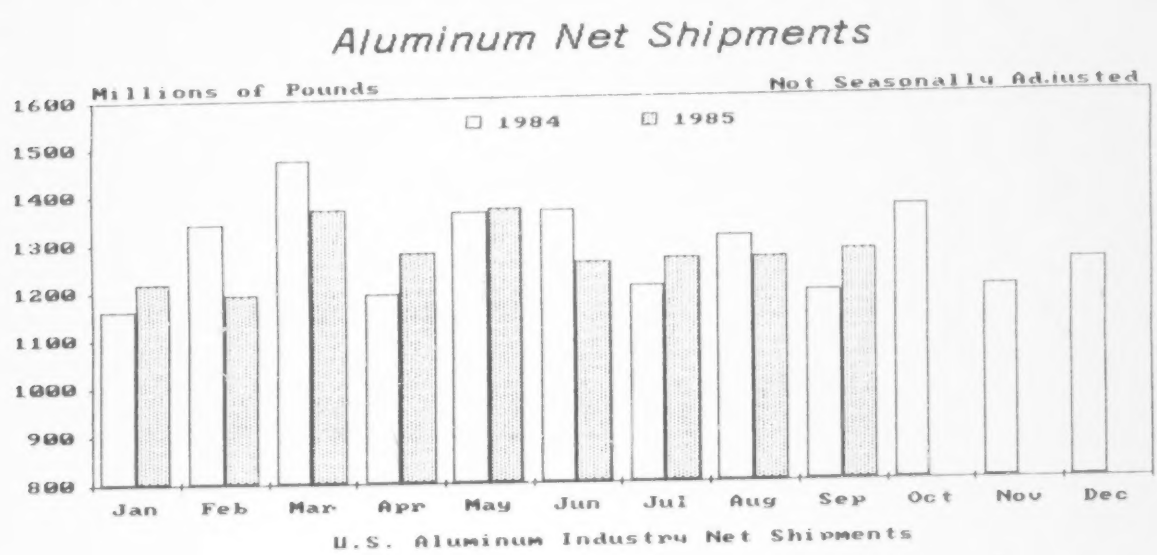
Actual production in October 1985 was 312,272 tons.




Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

## Nine Months 1985 Shipments 1.0 Percent Less Than Year Ago

Estimated shipments of 11,482 million pounds for the first nine months of 1985 were down 1.0 percent from 1984's same period. Exports show a 22.2 percent increase. Domestic shipments were off 2.8 percent.




## Net Shipments

(Millions of Pounds)

| | 1985 Sept* | 1984 Sept. | 1985 9 mos* | 1984 9 mos. | % Change YTD 1985 vs. 1984 |
|---|---|---|---|---|---|
| Sheet | 513.0 | 435.7 | 4,717.3 | 4,747.3 | - 0.6 |
| Plate | 21.0 | 20.1 | 194.1 | 192.5 | + 0.8 |
| Foil | 67.0 | 67.2 | 609.4 | 650.9 | - 6.4 |
| Rod, Bar & Wire | 22.0 | 23.6 | 220.2 | 298.4 | -26.2 |
| Electrical Conductor | 52.0 | 63.9 | 526.6 | 543.4 | - 3.1 |
| Extruded Shapes & Tube** | 220.0 | 207.2 | 1,993.6 | 1,840.5 | + 8.3 |
| Powder & Paste | 9.0 | 7.1 | 83.8 | 74.0 | +13.2 |
| Forgings & Impacts | 13.0 | 11.5 | 114.2 | 110.8 | + 3.1 |
| Net Imports of Mill Products (Total) (a) | 85.0 | 65.0 | 622.6 | 670.3 | - 7.1 |
| Total Mill Products | 1,002.0 | 901.3 | 9,081.8 | 9,128.1 | - 0.5 |
| Ingot (b) | 275.0 | 291.6 | 2,400.4 | 2,474.2 | - 3.0 |
| TOTAL INDUSTRY SHIPMENTS | 1,277.0 | 1,192.9 | 11,482.2 | 11,602.3 | - 1.0 |
| Exports | (91.4) | (90.4) | (979.0) | (801.0) | +22.2 |
| TOTAL DOMESTIC SHIPMENTS | 1,185.6 | 1.102.5 | 10,503.2 | 10,801.3 | - 2.8 |

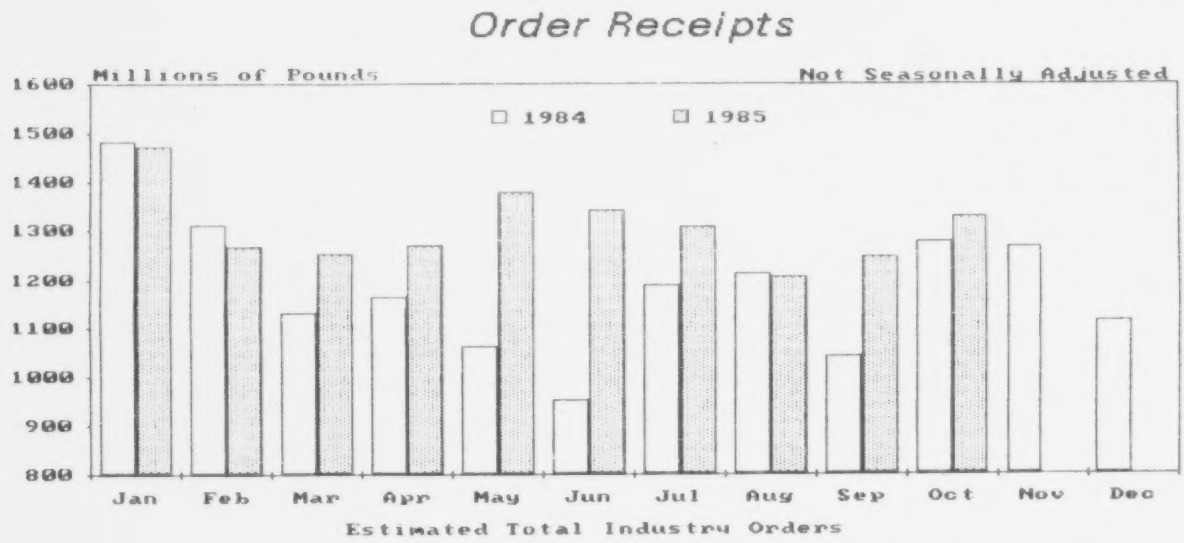
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

## Ten Months Orders 10.6 Percent Better Than A Year Ago

Estimated net new order receipts for the first ten months of 1985 of 13,074 million pounds were up 10.6 percent over the 11,817 million pounds for the first ten months of 1984. October 1985 orders were 4.1 percent above October 1984.




## Order Receipts

(Millions of Pounds)

| | 1985 Oct* | 1984 Oct. | 1985 10 mos* | 1984 10 mos. | % Change YTD 1985 vs. 1984 |
|---|---|---|---|---|---|
| Can Stock(a) | 202.6 | 196.0 | 2,696.4 | 2,531.2 | + 6.5 |
| Sheet & Plate, Other | 346.1 | 296.1 | 3,404.9 | 2,720.0 | +25.2 |
| Foil | 65.9 | 69.8 | 619.1 | 674.9 | - 8.3 |
| Rod, Bar & Wire | 21.4 | 18.3 | 182.7 | 226.7 | -19.4 |
| Electrical Conductor | 49.4 | 59.9 | 582.5 | 624.3 | - 6.7 |
| Extruded Products | 248.7 | 248.3 | 2,185.8 | 1,946.5 | +12.3 |
| Powder & Paste | 13.7 | 7.2 | 107.7 | 92.5 | +16.4 |
| Forgings & Impacts | 9.2 | 13.6 | 97.4 | 113.3 | -14.0 |
| Domestic Mill Products | 957.0 | 909.2 | 9,876.5 | 8,929.4 | +10.6 |
| Ingot (Total) | 276.3 | 292.9 | 2,329.2 | 2,120.3 | + 9.9 |
| TOTAL DOMESTIC | 1,233.3 | 1,202.1 | 12,205.7 | 11,049.7 | +10.5 |
| Exports | 95.6 | 74.6 | 867.8 | 797.7 | +13.0 |
| TOTAL ALL PRODUCTS | 1,328.9 | 1,276.7 | 13,073.5 | 11,817.4 | +10.6 |

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.

## Inventories Declined in September 1985 to 5,450 Million Pounds

Producer inventories decreased an estimated 40 million pounds in September 1985 from the revised August 1985 level of 5,490 million pounds. The Bureau of The Census recently revised inventory data upwards for January through July 1985. Through September, inventories now appear to be down 400 million pounds from year-end 1984.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

| Month | Total* | Integrated | Smelters | Non-Integrated |
|---|---|---|---|---|
| Dec 80 | 5,076 | 4,018 | 261 | 797 |
| Dec 81 | 6,607 | 5,542 | 266 | 798 |
| Dec 82 | 6,180 | 5,224 | 216 | 740 |
| Dec 83 | 4,994 | 3,979 | 163 | 853 |
| Oct 84 | 5,889 | 4,722 | 225 | 942 |
| Nov 84 | 5,920 | 4,792 | 205 | 925 |
| Dec 84 | 5,850r | 4,692 | 229 | 929 |

| Month | Total* | Ingot | Scrap | All Other |
|---|---|---|---|---|
| Jan 85 | 5,916 | 2,582 | 710 | 2,624 |
| Feb 85 | 5,820 | 2,695 | 676 | 2,450 |
| Mar 85 | 5,800 | 2,560 | 663 | 2,577 |
| Apr 85 | 5,728 | 2,597 | 682 | 2,449 |
| May 85 | 5,684 | 2,579 | 693 | 2,412 |
| Jun 85 | 5,596 | 2,436 | 664 | 2,496 |
| Jul 85 | 5,575r | 2,450r | 681r | 2,444r |
| Aug 85 | 5,490r | 2,396r | 689r | 2,405r |
| Sep 85 | 5,450 | 2,367 | 643 | 2,440 |

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.
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## Imports and Exports

(Millions of Pounds)

| | | 1985 Sept. | 1984 Sept. | 1985 9 mos. | 1984 9 mos. | % Change 1985 vs. 1984 |
|---|---|---|---|---|---|---|
| Imports | Mill Products | 101.2 | 88.5 | 778.8 | 848.2 | - 8.2 |
| | Ingot | 205.8 | 175.3 | 1,445.4 | 1,506.9 | - 4.1 |
| | Total | 307.0 | 263.8 | 2,224.2 | 2,355.1 | - 5.6 |
| | Scrap (+ dross) | 32.0 | 35.3 | 195.4 | 245.9 | -20.5 |
| | Grand Total | 339.0 | 299.1 | 2,419.6 | 2,601.0 | - 7.0 |
| Exports | Mill Products | 32.2 | 42.5 | 329.3 | 394.8 | -16.6 |
| | Ingot | 59.2 | 47.9 | 649.7 | 406.2 | +59.9 |
| | Total | 91.4 | 90.4 | 979.0 | 801.0 | +22.2 |
| | Scrap | 71.0 | 56.5 | 655.3 | 355.0 | +84.6 |
| | Grand Total | 162.4 | 146.9 | 1,634.3 | 1,156.0 | +41.4 |
| Net Imports | | 176.6 | 152.2 | 785.3 | 1,445.0 | -45.7 |

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.